

Program A: Payments to Private Providers

Program Authorization: The Constitution of Louisiana (1974) Article 12, Section 8, declares that the Legislature may establish a system of economic and social welfare, unemployment compensation, and public health. Louisiana Revised Statutes 36:251 et seq., gives the Louisiana Department of Health and Hospitals (DHH) Secretary authority to direct and be responsible for the Medical Assistance Program, Title XIX of the Social Security Act, and the authority to act as the sole agent of the state or, in necessary cases, designate one of the offices within the department or its assistant secretary to cooperate with the federal government and with other state and local agencies in the administration of federal funds granted to the state or directly to the department or an office thereof to aid in the furtherance of any function of the department or its offices, including funding for the Medical Assistance Program, Title XIX of the Social Security Act. The Balanced Budget Act of 1997 (BBA) (Public Law 105-33), as amended by recent technical amendments (Public Law 105-100, signed into law on November 19, 1997).

Program Description

The mission of the Payments to Private Providers Program is to provide payments to private providers of health services to Louisiana residents who are eligible for Title XIX (Medicaid) and to administer the Medicaid Program to ensure operations are in accordance with federal and state statutes regarding medically necessary services to eligible recipients. Additionally, the Medical Vendor Payments Program assures that reimbursements to providers of medical services to Medicaid recipients are appropriate.

The goals of the Payments to Private Providers Program are:

1. To develop alternatives to institutional care.
2. To screen children for medical, vision, hearing and dental abnormalities.

The Payments to Private Providers Program provides payments to the following providers/services: Inpatient Hospital Services, Outpatient Hospital Services, Long Term Care Facilities, ICF-MR (MR/DD Community Homes), MR/DD Waiver (Community Services), Assisted Living Waiver, Inpatient Mental Health, Psychiatric Rehabilitation, Adult Day Health, Physicians Services, Pharmaceutical Products and Services, Laboratory and X-ray Services, Emergency Transportation, Non-Emergency Transportation, Chiropractic Services, Certified RN Anesthetists, Adult Dentures, Appliances and Medical Devices, Home Health Services, Hemodialysis Services, EPSDT (Screening and Early Diagnosis), Case Management Services, Elderly Waiver, Federally Qualified Health Centers, Private Family Planning, Rehabilitation Services, Rural Health Clinics, Substance Abuse Clinics, and Other Private Providers.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$494,972,048	\$602,513,889	\$602,513,889	\$749,630,795	\$608,514,405	\$6,000,516
STATE GENERAL FUND BY:						
Interagency Transfers	1,304,781	777,627	777,627	777,627	777,627	0
Fees & Self-gen. Revenues	136,023,274	5,000,000	5,000,000	5,000,000	5,000,000	0
Statutory Dedications	143,418,105	200,989,480	200,989,480	128,927,907	178,781,540	(22,207,940)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	2,016,485,943	1,945,380,540	1,945,380,540	2,123,548,331	1,906,495,795	(38,884,745)
TOTAL MEANS OF FINANCING	\$2,792,204,151	\$2,754,661,536	\$2,754,661,536	\$3,007,884,660	\$2,699,569,367	(\$55,092,169)
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	2,792,204,151	2,754,661,536	2,754,661,536	3,007,884,660	2,699,569,367	(55,092,169)
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$2,792,204,151	\$2,754,661,536	\$2,754,661,536	\$3,007,884,660	\$2,699,569,367	(\$55,092,169)
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

SOURCE OF FUNDING

The Payments to Private Providers program is funded with State General Fund, Interagency Transfers, Fees & Self-generated Revenues, Statutory Dedications, and Federal Funds. Interagency Transfers originate from the Department of Social Services, Office of Family Support for Refugee Medical Vendor payments and Office of Community Services for the processing and all state funded payment of Non-Title XIX Foster Care Medical Vendor claims. Fees & Self-generated Revenues are derived from the recovery of payments made when Third Party Insurance can be accessed. The Statutory Dedications are the Louisiana Medical Assistance Trust Fund which derives its funding source from the collection of provider fees from varying medical providers in the state based on corresponding per bed per day rates and the Louisiana Fund payable out of funding received pursuant to the Master Settlement Agreement reached between certain states and participating tobacco manufactures. (Per R.S. 39:36B.(8), see table below for a listing of expenditures out of each statutory dedicated fund.) Federal Funds represent federal financial participation in the Medicaid program.

	ACTUAL	ACT 12	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	2000-2001	2001-2002	2001-2002	2002-2003	2002-2003	OVER/(UNDER)
						EXISTING
Louisiana Medical Assistance Trust Fund	\$83,064,991	\$126,275,601	\$126,275,601	\$81,443,301	\$113,966,489	(\$12,309,112)
Louisiana Fund - Tobacco	\$43,790,373	\$35,275,173	\$35,275,173	\$7,035,000	\$8,301,256	(\$26,973,917)
Health Excellence Fund - Tobacco	\$0	\$200,000	\$200,000	\$0	\$4,536,264	\$4,336,264
Medicaid Trust Fund for the Elderly	\$16,562,741	\$31,608,028	\$31,608,028	\$32,818,928	\$44,346,853	\$12,738,825
Health Trust Fund	\$0	\$7,630,678	\$7,630,678	\$7,630,678	\$7,630,678	\$0

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$602,513,889	\$2,754,661,536	0	ACT 12 FISCAL YEAR 2002-2003
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$602,513,889	\$2,754,661,536	0	EXISTING OPERATING BUDGET - December 20, 2001
\$104,498	\$352,556	0	Workload Adjustment - Increased contract cost for the growing population of HIV patients, EPSDT, LaCHIP utilization
\$1,154,363	\$3,894,612	0	Workload Adjustment - Increase MR/DD waiver slots by up to 400 in response to Chisholm lawsuit
\$4,668,300	\$15,750,000	0	Other Annualizations - Cost of the court mandated Behavioral Management Program for children under the age 21 as settlement in the Chisholm lawsuit
\$0	\$3,669,558	0	Other Annualizations - Long term care services - annualization of 1 month of Nursing Facilities and ICF/MR Homes
\$0	\$415,800	0	Other Annualizations - Adult day health care waivers for 25 slots using Intergovernmental funds to satisfy requirements of the Barthelemy lawsuit
\$3,417,789	\$11,531,003	0	Other Annualizations - Increase of 297 MR/DD waiver slots added in the fiscal year 2001-2002
(\$7,632,300)	(\$25,750,000)	0	Other Non-Recurring Adjustments - Cost settlements paid in fiscal year 2001-2002 but not in fiscal year 2002-2003
(\$3,254,350)	(\$10,979,590)	0	Other Non-Recurring Adjustments - Appropriations that exceeds spending level for the state fiscal year 2002-2003
\$0	(\$103,029,966)	0	Other Non-Recurring Adjustments - Non-recur funding for Medicaid payments to Private Provider expenditures funded with one-time funding source as match
\$1,145,992	\$3,866,370	0	Other Adjustments - Federal regulations reduce the amount clients pay from available income thereby increasing Medicaid payments for Long Term Care clients
\$0	\$40,863,062	0	Other Adjustments - Increase in the amount of projected interest income on the Medicaid Trust Fund for the Elderly (Nursing Home Intergovernmental Transfer) (DHH - Medical Vendor Payments)
\$465,908	\$1,571,890	0	Other Adjustments - Mandated rate increase to maintain the level of emergency transportation required for clients
\$580,335	\$1,957,947	0	Other Adjustments - Social Security Act amendment increased payment level to maintain services at rural health clinics for new federal payment method
\$235,516	\$794,589	0	Other Adjustments - Social Security Act amendment increased payment level to maintain services at Federal Qualified Health Centers
\$26,973,917	\$0	0	Means of financing substitution increasing State General Fund and decreasing statutory dedications (LA Fund - Tobacco settlement) due to decrease in proceeds (DHH - Medical Vendor Payments)

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
(\$4,336,264)	\$0	0	Means of financing substitution decreasing State General Fund and increasing statutory dedications (Health Excellence Fund - Tobacco settlement) due to and increase in proceeds (DHH - Medical Vendor Payments)
(\$17,523,188)	\$0	0	Means of financing substitution - Decrease in State General Fund and a corresponding increase in the Medical Assistance Trust Fund due to an increase in the fund as recognized by the Revenue Estimating Conference of January 7, 2002 (DHH - Medical Vendor Payments)
\$608,514,405	\$2,699,569,367	0	TOTAL RECOMMENDED
(\$124,088,791)	(\$521,250,685)	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$484,425,614	\$2,178,318,682	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 3% SALES TAX BASE:
\$106,940,344	\$448,529,530	0	This supplementary recommendation represents 17.6% of the State General Fund recommendation (\$608.5 million) and 16.6% of the total budget recommendation (\$2,699.6 million) for this program.
\$106,940,344	\$448,529,530	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 3% SALES TAX BASE
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 1% SALES TAX BASE:
\$4,324,114	\$18,337,204	0	This supplementary recommendation represents 0.7% of the State General Fund recommendation (\$608.5 million) and 0.7% of the total budget recommendation (\$2,699.6 million) for this program.
\$4,324,114	\$18,337,204	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 1% SALES TAX BASE

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE 4¢ PER CIGARETTE PACK TOBACCO TAX RATE:
\$5,137,692	\$21,787,331	0	This supplementary recommendation represents 0.8% of the State General Fund recommendation (\$608.5 million) and 0.8% of the total budget recommendation (\$2,699.6 million) for this program.
\$5,137,692	\$21,787,331	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE 4¢ PER CIGARETTE PACK TOBACCO TAX RATE
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE INDIVIDUAL INCOME TAX LIMITATION ON EXCESS ITEMIZED DEDUCTIONS:
\$5,998,542	\$25,437,925	0	This supplementary recommendation represents 0.9% of the State General Fund recommendation (\$608.5 million) and 1% of the total budget recommendation (\$2,699.6 million) for this program.
\$5,998,542	\$25,437,925	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE INDIVIDUAL INCOME TAX LIMITATION ON EXCESS ITEMIZED DEDUCTIONS
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE AUTOMOBILE RENTAL EXCISE TAX:
\$1,688,099	\$7,158,695	0	This supplementary recommendation represents 0.3% of the State General Fund recommendation (\$608.5 million) and 0.3% of the total budget recommendation (\$2,699.6 million) for this program.
\$1,688,099	\$7,158,695	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE AUTOMOBILE RENTAL EXCISE TAX
\$608,514,405	\$2,699,569,367	\$0	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2002-2003.

OTHER CHARGES

	Payments to private medical providers for the provision of the following medical services to patients enrolled in the State's Medicaid program:
\$186,068,298	Intermediate Care Facilities - Mental Retardation (Community Homes for the Mentally Retarded/ Developmentally Disabled)
\$147,324,550	MR/DD Waiver (Community Services)
\$27,507,057	Psychiatric Rehabilitation Services
\$5,221,588	Adult Day Health Waiver Services
\$15,750,000	Behavior Management
\$4,779,521	Certified Registered Nurse Anesthetists (CRNAs)
\$2,200,230	Adult Dentures
\$30,859,303	Appliances and Medical Devices
\$18,677,310	Hemodialysis Services
\$13,491,916	Case Management Services
\$13,863,033	Elderly & Disabled Adults Waiver
\$1,353,399	Rehabilitation Services
\$5,428,039	Payments to Privates Providers for Children's Choice Waiver
\$219,156,422	Pharmacy (prescription drug) services for patients over the age of 22
\$290,984,225	Pharmacy (prescription drug) services for patients under the age of 22 and Nursing Home Clients
\$544,843,308	Inpatient Hospital Services
\$132,006,277	Outpatient Hospital Services
\$592,569,517	Long Term Care (Nursing Home) Facilities
\$7,319,144	Inpatient Mental Health
\$234,807,937	Physicians Services
\$47,218,961	Laboratory and X-Ray Services
\$21,289,467	Emergency Medical Transportation
\$8,744,270	Non-Emergency-Ambulance Medical Transportation
\$5,501,121	Non-Emergency-Non-Ambulance Medical Transportation
\$22,717,592	Home Health Services
\$63,267,311	Early and Periodic Screening, Diagnosis and Treatment (EPSDT)
\$5,713,310	Federally Qualified Health Centers
\$14,184,817	Rural Health Clinics
\$10,219,023	Other private provider services
\$6,502,421	Private Family Planning (90% FF)
\$0	Other Private Providers
\$2,699,569,367	SUB-TOTAL OTHER CHARGES

OTHER CHARGES

Interagency Transfers:

This program does not have funding for Interagency Transfers for Fiscal Year 2002-2003

\$0 SUB-TOTAL INTERAGENCY TRANSFERS

\$2,699,569,367 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2002-2003.